



MARK GOTTLIEB

Speaker Pro Tempore
Wisconsin State Assembly

**Testimony by Rep. Mark Gottlieb
Assembly Bills 254 and 255
Assembly Committee on Urban & Local Affairs
April 18, 2007**

Assembly Bills 254 and 255 were developed by the Legislative Council Special Study Committee on Municipal Annexation in 2004. I would like to describe the work of the committee and the resulting bills.

The principle goal of the committee was to reduce annexation disputes and the cost and delay that they can cause. The committee attempted to achieve this goal by encouraging the development of voluntary cooperative agreements between cities, villages, and towns.

Our review of current law found three specific statutes that are used for such agreements.

66.0301 – Intergovernmental Cooperation

Although this statute authorizes intergovernmental revenue sharing agreements, there is widespread belief that it does not give the authority to alter boundaries or control annexation. However, because of the complexity of the other boundary adjustment laws, it has been used for that purpose. AB 254 retroactively authorizes that practice, and places strict limits on its use in the future.

66.0225 – Boundaries Fixed by Court Judgment

This statute allows communities in a lawsuit to stipulate their boundaries. Some evidence suggests that lawsuits have been commenced simply to allow this process to be used. To prevent this, AB 254 eliminates the prerequisite of a lawsuit, while restricting this process to agreements under ten years in duration.

66.0307 – Cooperative Boundary Agreements

This is the primary boundary agreement law. It has been criticized for being overly complex, costly, and time consuming. AB 254 considerably simplifies this process and reduces the time frame for approving the cooperative plan. The committee believes these changes will result in greater use of this process. AB 254 also provides a procedure for a municipality to petition for development of a cooperative plan through a mediated process if an adjacent municipality declines to participate in negotiations when first asked to do so.

The bill also requires DOA to make available on its public website a list of persons who have identified themselves as professionals qualified to facilitate alternative dispute resolution of annexation, boundary, and land use disputes.

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The second bill AB 255, extends the DOA advisory review of annexations initiated by electors and property owners to include those annexations commenced in any county, not only those commenced in counties with a population of 50,000 or more. Additionally, for annexations over 20 acres, it requires DOA, in making its advisory public interest determination, to consider the impact of the annexation on the tax base and property taxes of the annexing city or village.

While some may have hoped for more substantive changes to annexation law, the committee believes that the recommendations included in this bill can significantly reduce the number and cost of annexation disputes.

Last session Assembly Bill 254, then SB 460, unanimously passed the Senate Veterans, Homeland Security, Military Affairs, Small Business and Government Reform committee but did not make it to the floor in time for a vote. AB 255 (SB 461 last session) passed the Senate 33-0 and was referred to this committee.

Legislative Council staff is here to assist in answering any questions you may have. I hope you will give favorable consideration to these bills.

**REMARKS OF SENATOR ALAN LASEE, CHAIR, SPECIAL COMMITTEE ON
MUNICIPAL ANNEXATION, TO THE SENATE COMMITTEE ON LABOR, ELECTIONS AND
URBAN AFFAIRS**

May 15, 2007, in Room 330 Southwest, State Capitol

- The main goal of the study committee that developed these bills was to reduce annexation disputes and costs. Senate Bill 134 will likely accomplish that goal by reducing annexations and increasing boundary agreements.
- Another goal I had for the committee was to further level the playing field between towns and cities and villages. This, of course, is a harder goal to achieve politically. The other recommended bill, Senate Bill 135, which expands DOA advisory review of annexations, will at least provide a third party opinion on whether a particular annexation is in the public interest and may provide some technical assistance to the parties as well.
- The boundary agreement bill, Senate Bill 134, contains several provisions:
 - ◆ It simplifies the current plan requirements for boundary agreements by cooperative plan and reduces the minimum time period for developing a cooperative plan.
 - ◆ It provides a procedure for a municipality to petition for development of a cooperative plan through mediation if an

adjacent municipality declines to participate in the current procedure for developing a plan.

- ◆ It establishes a specific procedure for common municipal boundaries to be determined by agreement under the current intergovernmental agreement statute.
- ◆ It limits the incentive to initiate litigation in order to settle boundary disputes.
- ◆ And, it requires the DOA to make available on its public website a list of persons who have identified themselves as professionals qualified to facilitate alternative dispute resolution of annexation, boundary, and land use disputes.

- The other bill, Senate Bill 135:

- ◆ Extends the DOA advisory review of annexations initiated by electors and property owners to include annexations in any county, not only those in counties with a population of 50,000 or more.
- ◆ And, for annexations of more than 20 acres, the draft requires the DOA, in making its advisory public interest determination, to

consider the impact of the annexation on the tax base and property taxes of the annexing city or village.

- While some may have wished for more in the way of substantive changes to annexation law, I am sure you are all aware of the history and politics of annexation issues and the difficulty of achieving consensus. Ultimately, it may take fundamental change in the structure and organization of local government to address these issues in a fundamental way. In the meantime, incremental change may be all that is possible. With that said, I believe the recommendations included in these bills will be significant in reducing annexation disputes in this state.

- I would like to thank members of the Special Committee for their time and attention to these issues and would especially like to thank members of the Drafting Subcommittee for taking the time to develop draft legislation for consideration by the full committee.
- Legislative Council staff is here to assist me in answering any questions you may have. I urge you to give favorable consideration to these proposals.

Thank you.



122 W. Washington Avenue
Suite 300
Madison, Wisconsin 53703-2715

608/267-2380
800/991-5502
Fax: 608/267-0645

E-mail: league@lwm-info.org
www.lwm-info.org

To: Assembly Committee on Urban and Local Affairs
From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities
Date: April 18, 2007
Re: **Support for AB 254, Municipal Boundary Agreements**

The League of Wisconsin Municipalities supports AB 254, which is compromise legislation making it easier for municipalities and towns to enter into boundary agreements. The bill addresses: (1) the determination of common municipal boundaries by agreement; and (2) the use of alternative dispute resolution (ADR) in annexation and other boundary disputes.

We appreciate Rep. Gottlieb's efforts last session at forging a compromise proposal that creates a process by which towns can petition a municipality to participate in mediation about boundary issues. Among other things, the bill:

- ❑ Simplifies the current cooperative boundary plan requirements of s. 66.0307, Stats., by substituting a general requirement for consistency with a comprehensive plan for the current detailed planning requirements. (*This is a League initiated change.*)
- ❑ Reduces from 120 to 60 the minimum number of days that must pass, following the last authorizing resolution by a participating municipality, before the public hearing on the proposed cooperative plan may be held. (*This is a League initiated change.*)
- ❑ Establishes a specific procedure for common municipal boundaries to be determined by agreement under s. 66.0301, Stats. In addition to determining common boundaries, an agreement under the procedure may include any other provisions municipalities are authorized to agree to under s. 66.0301 and under s. 66.0305, Stats., such as agreements to share revenues. Once an agreement expires, all provisions of the agreement expire with the exception of boundary determinations, which remain until subsequently changed. The maximum term of an agreement is 10 years. (*This is a League initiated change.*)

This is the type of compromise legislation that the legislature should advance rather than controversial and one-sided bills like the charter towns bill. We urge you to recommend passage of AB 254. Thanks for considering our comments.

